

**CONTRACT FOR DEED**

**THIS AGREEMENT**, made and entered into on this 12<sup>th</sup> day of December, 2012, by and between Larry D. Frey and Ann Frey, husband and wife of the post office address of 201 Marina Court, Chesapeake, Virginia 23320, Ronold C. Frey and Mary Kay Frey, husband and wife of the post office address 8480 Brewster Lane, Canton, Michigan 48187 and Rodney G. Frey and Patricia Frey, husband and wife of the post office address 315 13<sup>th</sup> Street - #1, Bismarck, North Dakota 58504, hereinafter referred to as, Sellers and Murray Lepp, a single man of the post office address 8460 54<sup>th</sup> Ave SE, Lehr, North Dakota 58460, hereinafter referred to as Buyer.

**WITNESSETH**, that the said Sellers, in consideration of the covenants and agreements of the said Buyer hereinafter contained, hereby sell and agree to convey to said Buyer, and their assigns, by warranty deed, upon full performance by Buyer, of all parts of this agreement, the tracts of land, lying and being in the County of McIntosh and the State of North Dakota, described as follows:

McIntosh County, North Dakota

Township 131 North, Range 69 West

Section 11: Southeast Quarter (SE1/4);

Section 14: North One-half (N1/2);

Southeast Quarter (SE1/4);

Northeast Quarter Southwest Quarter (NE1/4SW1/4) less the following parcel:

Beginning at the southeast corner of the SE1/4 of 14-131-69; then West

distance of 2,640 feet; thence North a distance of 1,353 feet;

thence West a distance of 1,290 feet; thence North a distance of 1,320 feet;

thence East a distance of 535 feet; thence South a distance of 383 feet;

thence East a distance of 1,056 feet;

thence a south-southeasterly direction a distance of 910 feet;

thence East a distance 410 feet; thence South a distance 937 feet;

thence West a distance of 462 feet; thence South a distance of 237 feet;

thence East a distance of 1,934 feet to the east line of the said

SE1/4 of 14-131-69; thence South a distance of 396 feet

to the point of beginning.

Section 24: North One-half Northwest Quarter (N1/2NW1/4);

Southeast Quarter Northwest Quarter (SE1/4NW1/4);

Consists of 709 acres more or less

**PROPERTY CONDITIONS:** All property is conveyed, as to physical condition, "as is".

**ABSTRACT:** Sellers shall furnish a current abstract prior to final payment of this Contract for Deed. The Buyer shall be responsible for the title opinion, if desired. The Sellers shall transfer the property by warranty deed.

**MINERAL RIGHTS:** The Sellers shall retain 50% of all mineral rights. Mineral rights shall include minerals of any nature whatsoever, presently known or unknown, together with other compounds and by products, including but not limited to oil and gas in and under that may be produced from the land conveyed excepting sand, gravel and clay which shall go with the buyer.

**CRP CONTRACT:** Buyer must honor Conservation Reserve Contract until it expires which covers 76 acres of CRP located in Section 24-131-69 or pay any penalty fees or repayment amounts which may be assessed against Sellers because of said contract. The Buyer shall be entitled to all program payment thereon thru contract end.

**PURCHASE PRICE:** The Buyer in consideration of the premises, hereby purchase from the Sellers the above described property and hereby promise and agree to pay the Sellers, or Sellers' assigns, as and for the purchase price of said property, the sum of Seven Hundred Nine Thousand Dollars (\$709,000.00). Twenty One Thousand Dollars (\$21,000.00) upon signing this contract. The balance of Six Hundred Eighty-eight Thousand Dollars (\$688,000.00) will be paid on each payment date as follows:

December 1, 2013 - Principal \$14,120.00	Interest \$6,880.00	=	\$21,000.00
December 1, 2014 - Principal \$14,262.00	Interest \$6,738.00	=	\$21,000.00
December 1, 2015 - Principal \$14,404.00	Interest \$6,596.00	=	\$21,000.00
December 1, 2016 - Principal \$17,548.00	Interest \$6,452.00	=	\$24,000.00
December 1, 2017 - Principal \$17,713.00	Interest \$6,287.00	=	\$24,000.00

Said payments will be divided equally to the Sellers on each payment date.

Balance of Six Hundred Nine Thousand Nine Hundred Fifty-three Thousand Dollars (\$609,593.00) shall be paid in full on or before February 1, 2018 which will be paid in three equal payments to the Sellers.

Buyer may prepay the contract on any payment date without penalty.

**GENERAL TAXES:** General taxes and the installments of special assessments for the year 2012 and prior real estate taxes shall be paid by the Sellers. The taxes for the year 2013 and the taxes thereafter shall be the responsibility of the Buyer.

**PROTECTION OF PREMISES:** The Buyer shall, during the continuance of this contract, carefully watch over the premises and keep the improvements upon the premises in good condition and repair. The Buyer shall not commit, or permit any other person to commit, any waste or damage to the premises, or the appurtenances. Any buildings or improvements hereafter erected upon the premises shall become a part of the realty and shall constitute further security hereunder. In the event of default, the Buyer will not be compensated for permanent improvements.



13-04-03-064

**DEFAULT:** Should the Buyer fail to pay any item, under the terms hereof, the same may be paid by Sellers and shall be forthwith payable, with interest thereon at the annual rate of 1%, as an additional amount due Sellers under this contract. Should default be made in the payment of principal or interest due hereunder, or of any part hereof, or should Buyer fail to pay taxes upon said land, or to perform the covenants, agreements, terms or conditions herein contained, the Sellers may at any time, after a prior fifteen (15) day written notice deposited in the United States Mails by certified or registered mail with return receipt requested, addressed to Buyer at the Buyer's address above, specifying the default and provided the default is not completely remedied and corrected within fifteen (15) days from the date of receipt, by written notice declare the whole sum above specified as purchase price to be due and this contract canceled and terminated, as provided by North Dakota law, and all rights, title and interest acquired upon the premise by Buyer shall be terminated, and all payments made hereunder shall belong to Sellers as liquidated damages for breach of this contract by Buyer. Neither the extension of time of payment of any sum or sums of money to be paid hereunder, nor any waiver by Sellers' right to declare this contract forfeited by reason of any breach thereof, shall in any manner affect the right of Sellers to cancel this contract because of defaults subsequently maturing, and no extension of time shall be valid unless evidenced by a duly assigned instrument.

**RE-ENTRY ON DEFAULT, CANCELLATION OR TERMINATION:** In the event of the cancellation or termination of this contract, the Buyer agrees that the Sellers shall have the right to re-enter and take possession of said premise.

**ENVIRONMENTAL PROTECTION AGENCY PROVISION:** The Buyer hereby agrees to assume all responsibility and liability for any environmental damage from any and every source which occurs after their possession of the property. Further, they agree to indemnify and hold harmless the Sellers for any liability arising after their possession of the land.

**NOTICES:** Any and all notices required or desired to be given hereunder shall be given to the Sellers at above address of Sellers and the Buyer at above address by depositing the same, postage duly prepaid, in the United States Mail, addressed to the party to whom notice is to be given. Either party may change the address at which notice is to be given by similar notice in writing furnished to the other party.

**TIME OF ESSENCE:** Time is deemed to be of the essence of this contract.

**BINDING EFFECT OF CONTRACT:** This contract, and all of its provisions, conditions and obligations shall run with the land, and shall extend to and be binding upon the heirs, personal representatives, successors and assigns of the respective parties hereto. The Buyer agrees that he will not assign this contract without the written consent of the Sellers.

**POSSESSION:** Possession to said Buyer shall be upon signing of this Contract for Deed.

**QUADRUPLE ORIGINALS:** This contract is being made in quadruple originals.

I certify that \$709,000.00 is the full and true consideration paid.

Dated 12/27/12

Larry D. Frey  
Larry D. Frey

Dated 12-27-12

*Ann Frey*  
Ann Frey

Dated 12/28/12

Ronald C. Frey

Dated 12-28-12

Mary K. Frey  
Mary Kay Frey

Dated 12/20/12

Rodney G. Frey  
Rodney G. Frey

Dated 12/20/12


Patricia A. Frey  
Patricia Frey

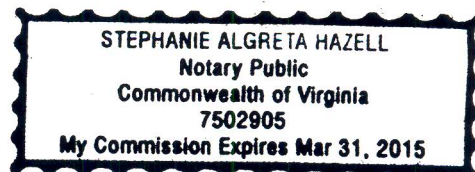
Dated 12-18-12

*Murray Lepp*  
Murray Lepp

STATE OF VIRGINIA )  
 ) SS.  
COUNTY OF CHESAPEAKE )

On this 27<sup>th</sup> day of DECEMBER, 2012, before me personally appeared Larry D. Frey and Ann Frey known by me to be the persons who are described in the above and foregoing instrument and acknowledged to me that they executed the same.

  
Notary Public  
CUSSAOKA County, Virginia





13-04-03064

56

15195 Fee: \$13.00 Bk D-118 Pg 0056 15195

STATE OF NORTH DAKOTA MCINTOSH COUNTY

McINTOSH COUNTY Page 1 of 2

Recorded: 11/17/2006 At 09:15 AM

Recorded: 11/17/2006 at 09:15 AM

I certify that this instrument was filed for record this date

Return To: WAGNER LAW FIRM, PC, P.O. BOX 639  
BISMARCK, ND 58502,

LINDA ROHRBACH, County Recorder

By *Lamona D. Duggan***Quit Claim Deed**

(Tenants in Common)



THIS INDENTURE, Made this November 1, 2006, between Rodney Frey, Successor Trustee, U/D/T dated January 26, 1996 a/k/a Gideon and Mary Frey Revocable Living Trust, of 315 South 13th St, Bismarck ND 58502, the Grantor, and Larry Frey of 201 Marina Court, Chesapeake VA 23320, Ronald Frey of 8480 Brewster Lane, Canton MI 48187-8205, and Rodney Frey of 315 South 13th St, Bismarck ND 58502, Grantees;

WITNESSETH, that the said Grantor, for and in consideration of the sum of \$10 and other good and valuable consideration, to it in hand paid by the Grantees, the receipt of which is hereby acknowledged, does hereby sell, remise, release and grant unto the Grantees, AS TENANTS IN COMMON, their heirs and assigns, FOREVER, all the right, title and interest of said estate, in the following described property:

Township 131 North, Range 69 West, 5th P.M., McIntosh County, North Dakota  
Section 11: SE $\frac{1}{4}$

Section 14: N $\frac{1}{2}$ ; SE $\frac{1}{4}$  and NE $\frac{1}{4}$ SW $\frac{1}{4}$ , LESS the following:

Beginning at the southeast corner of the SE $\frac{1}{4}$ -14-131-69; thence West a distance of 2,640 feet; thence North a distance of 1,353 feet; thence West a distance of 1,290 feet; thence North a distance of 1,320 feet; thence East a distance of 535 feet; thence South a distance of 383 feet; thence East a distance of 1,056 feet; thence in a south-southeasterly direction a distance of 910 feet; thence East a distance of 410 feet; thence South a distance of 937 feet; thence West a distance of 462 feet; thence South a distance of 237 feet; thence East a distance of 1,934 feet to the east line of the said SE $\frac{1}{4}$ -14-131-69; thence South a distance of 396 feet to the point of beginning,

Section 24: N $\frac{1}{2}$ NW $\frac{1}{4}$ ; SE $\frac{1}{4}$ NW $\frac{1}{4}$

The legal description was prepared by Wagner Law Firm, PC, PO Box 639, Bismarck, ND 58502 or obtained from a previously recorded instrument.

TO HAVE AND TO HOLD the above premises, together with all the hereditaments and appurtenances thereunto belonging or in anywise appertaining, unto the Grantees, their heirs and assigns, forever.

IN WITNESS WHEREOF, the said Grantor hereunto sets its hand the day and year first above written.

*Rodney Frey*

Rodney Frey, Trustee, U/D/T dated January 26, 1996

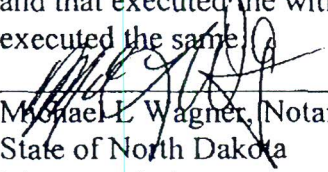
13-04-03-064

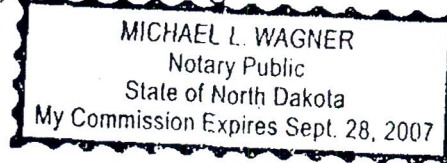
15195  
McINTOSH COUNTY Page 2 of 2  
Recorded: 11/17/2006 at 09:15 AM

Return To: WAGNER LAW FIRM, PC, P.O. BOX 639  
BISMARCK, ND 58502.

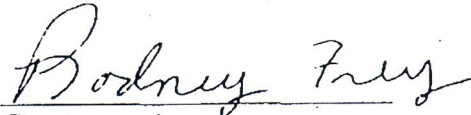
State of North Dakota  
County of Burleigh

On this November 1, 2006, before me personally appeared Rodney Frey, known to me to be the Trustee of the Gideon and Mary Frey Revocable Living Trust that is described in and that executed the within instrument, and acknowledged to me that such trust/trustee executed the same.

  
Michael L. Wagner, Notary Public  
State of North Dakota  
My commission expires: \_\_\_\_\_



I certify that the requirement for a report or statement of full consideration paid does not apply because this deed is for one of the transactions exempted under N.D.C.C. § 11-18-02.2(6)(d).

  
Grantee or Agent  
Date: 11-1-06



Taxes and special assessments  
paid and transfer entered  
this 17<sup>th</sup> day of November, 2006  
By: Erin Blumhardt, Deputy Auditor



13-04-03-064

**AFFIDAVIT OF NON-HOMESTEAD**

Comes now the undersigned under oath and states the following:

1) That I am part owner of the of the following real property:

McIntosh County, North Dakota  
Township 131 North, Range 69 West  
Section 11: Southeast Quarter (SE1/4);  
Section 14: North One-half (N1/2);  
Southeast Quarter (SE1/4);  
Northeast Quarter Southwest Quarter (NE1/4SW1/4) less a tract  
beginning at the southeast corner of Southeast Quarter (SE1/4),  
thence west of 2640 feet: thence north 1353 Feet,  
thence west 1290 Feet, thence north 1320 Feet, thence east 535 Feet,  
thence south 383 Feet, thence east 1056 Feet;  
thence south-southwesterly 910 Feet, thence east 410 Feet,  
thence south 937 Feet, thence west 462 Feet, thence south 237 Feet,  
thence east 1934 Feet to the east line of said section,  
thence South 396 Feet to point of beginning.  
Section 24: North One-half Northwest Quarter (N1/2NW1/4);  
Southeast Quarter Northwest Quarter (SE1/4NW1/4);

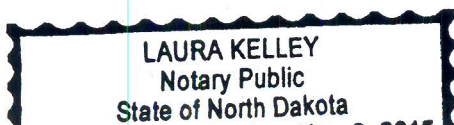
2) That neither I nor my brothers, Ronald Frey and Larry Frey nor any other member of  
our family have ever used the property as a homestead.

Date this 6<sup>th</sup> day of July, 2010

Rodney Frey  
Rodney Frey

STATE OF NORTH DAKOTA )  
COUNTY OF Burdick ) SS.

On this 6<sup>th</sup> day of July, 2010, before me personally appeared Rodney Frey who is  
described in, and who executed the within and foregoing instrument and severally acknowledged  
that he executed the same.



[Signature]  
Notary Public  
Burdick County, North Dakota